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BEFORE THE ARIZONA CORPORATION COMMISSION
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GARY PIERCE
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BOB STUMP

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE JOINT NOTICE AND) DOCKET NOS. T-01051B-10-0194
APPLICATION OF QWEST CORPORATION,) T-02811B-10-0194
QWEST COMMUNICATIONS COMPANY, LLC,) T-04190A-10-0194
QWEST LD CORP., EMBARQ) T-20443A-10-0194
COMMUNICATIONS, INC. D/B/A CENTURY) T-03555A-10-0194
LINK COMMUNICATIONS, EMBARQ) T-03902A-10-0194
PAYPHONE SERVICES, INC. D/B/A)
CENTURYLINK, AND CENTURYTEL)
SOLUTIONS, LLC FOR APPROVAL OF THE)
PROPOSED MERGER OF THEIR PARENT)
CORPORATIONS QWEST COMMUNICATIONS)
INTERNATIONAL INC. AND CENTURYTEL,)
INC.)

Arizona Corporation Commission

DOCKETED

SEP 27 2010

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NOTICE OF FILING DIRECT TESTIMONY

(PUBLIC VERSION)

Cox Arizona Telcom, L.L.C. hereby gives notice that it files the attached public version of the Direct Testimony of Kim Howell. The confidential version of the Direct Testimony is being provided to the parties who have executed an Exhibit A and B to the protective order in this docket.

RESPECTFULLY SUBMITTED this 27th day of September 2010.

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INTERNATIONAL INC. AND CENTURYTEL,)	
INC.)	

DIRECT TESTIMONY

OF

KIM HOWELL

ON BEHALF OF

COX ARIZONA TELCOM, L.L.C.

(PUBLIC VERSION)

SEPTEMBER 27, 2010

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1 **I. INTRODUCTION.**

2
3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 **A.** My name is Kim Howell and my business address is 5775 Peachtree Dunwoody Road,
5 Pavilion D, 6th floor, Atlanta, Georgia 30319.
6

7 **Q. WHAT IS YOUR EMPLOYMENT POSITION AND WHAT ARE YOUR DUTIES**
8 **WITH COX?**

9 **A.** My position with Cox is the Director of Regional Operations Centers (ROC's). My duties
10 involve standardizing and optimizing all business practices across the Enterprise for all
11 functions within the Regional Operation Centers ("ROC's"). Those functions include: E911,
12 Directory, Porting, Quality, Care Records, and Number Management.
13

14 **Q. PLEASE DESCRIBE YOUR RELEVANT EMPLOYMENT AND EDUCATIONAL**
15 **HISTORY.**

16 **A.** I have been employed by Cox for 30 years. My telephone experience began in 1998 as a
17 training/project manager for Cox in Hampton Roads, Virginia. During the launch activities
18 in the system, I trained Customer Service Representatives on Cox Digital Telephone Sales,
19 and all Order Entry processes. In 2000, I was promoted to Call Center Manager for
20 Telephone in Hampton Roads. Two years later I was assigned to the "back-office" to support
21 porting, and tech operations support functions. During my tenure in Hampton Roads, we
22 launched the first ROC, in support of all Virginia markets. From 2005 to date, my role has
23 been standardizing ROC's, business practices, as well as development of automation tools in
24 support of Porting, Directory, E911, Number Management, Third Party Verification, and Port
25 Out.
26
27

1 **Q. ON WHOSE BEHALF ARE YOU PROVIDING THIS TESTIMONY?**

2 **A.** I am testifying today on behalf of Cox Arizona Telcom, L.L.C. Cox Arizona Telcom is a
3 subsidiary of Cox Communications, and is the local operating subsidiary certificated by the
4 Arizona Corporation Commission ("ACC" or "Commission") to provide telecommunications
5 services in Arizona. Throughout this testimony, I will refer to Cox Arizona Telcom simply as
6 "Cox."
7

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 **A.** The purpose of my testimony is to share with the ACC certain concerns Cox has with the
10 potential merger of CenturyLink and Qwest. In particular, my testimony looks at certain
11 operational issues between carriers – porting, ordering, Operation Support Systems ("OSS")
12 – that are important to a successful competitive environment. Cox is concerned, and believes
13 the Commission should be concerned, about the potential for the merged entity to hinder
14 competition, to move the competitive environment in Arizona backwards, if the merged
15 entity reduces the speed or responsiveness of the existing Qwest wholesale processes, or
16 raises the costs or uncertainties of those same processes. Changes of this nature would be
17 very detrimental to competitors, competition, and ultimately consumers in Arizona.
18

19 **II. BACKGROUND ON COX.**
20

21 **Q. BRIEFLY DESCRIBE COX AND ITS PROVISION OF**
22 **COMMUNICATIONS SERVICES IN ARIZONA.**

23 **A.** Cox provides voice, data and video services primarily in the Phoenix and Tucson areas but
24 also provides all of its services in many smaller communities such as Queen Creek, Florence,
25 Coolidge, Benson, Sierra Vista, Casa Grande, Douglas and St. David Arizona.
26
27

1 Q. WHAT HAS COX'S EXPERIENCE BEEN INTERCONNECTING, EXCHANGING
2 TRAFFIC WITH, AND PORTING CUSTOMERS FROM QWEST IN ARIZONA?

3 A. Although Cox initially had some difficulties and disagreements with Qwest, Qwest has
4 become increasingly responsible in fulfilling its obligations under the 1996 Federal
5 Telecommunications Act. In an environment where competition is reasonably fair, Cox has
6 proven that customers want alternatives, that they want the value Cox's bundles provide and
7 they want Cox's high level of customer service. As a result, Cox has over **Begin**
8 **Confidential ** ** End Confidential** residential and business lines in its Arizona
9 service territory. Simple ports are "same day, " or as scheduled to meet the needs of the
10 customer. There have been no volume problems with porting in the relevant past; Qwest has
11 an automated electronic data interface for porting, Access Service Requests ("ASRs") and
12 Local Service Requests ("LSRs") that facilitates smooth, quick and reliable exchange of
13 information, and Qwest's present system has presented few problems for Cox in the Arizona
14 market.
15

16 Q. DOES COX ALSO HAVE EXPERIENCE WITH CENTURYLINK?

17 A. Yes. Cox presently provides service in competition with CenturyLink in seven states:
18 Arkansas, Florida, Kansas, Louisiana, Nevada, Oklahoma and Nevada.
19

20 III. CONCERNS WITH CENTURYLINK.
21

22 Q. DOES THE EXPERIENCE IN THE CENTURYLINK STATES CAUSE COX ANY
23 CONCERNS ABOUT QWEST'S MERGER WITH CENTURYLINK?

24 A. It does, and much of the concern relates to CenturyLink's OSS and issues that touch on
25 the OSS like ordering (ASRs, LSRs) and porting.
26
27

1 Q. YOU MENTIONED THAT COX HAS CONCERNS ABOUT THE MERGED
2 ENTITY'S OPERATIONAL SUPPORT SYSTEMS, OR OSS. CAN YOU
3 ELABORATE?

4 A. Because Cox generally owns its own switching and last-mile facilities, Cox primarily utilizes
5 Qwest or CenturyLink's OSS to migrate customers who wish to leave the incumbent for
6 Cox's competing voice services. To make that migration as seamless and accurate as possible
7 for the customer, the companies must have access both to preordering function, such as
8 timely access to accurate Customer Service Records (CSRs) and to the ordering functions
9 necessary to port the telephone numbers of the customers, ensure accurate directory listing
10 and E911 services, and order interconnection facilities. The inadequacy of CenturyTel's OSS
11 and its adverse impact on competition was a major concern of both Cox and, ultimately, the
12 FCC in CenturyTel's merger with Embarq. Unlike Qwest, neither CenturyTel nor Embarq
13 had, at the time of their merger, fully automated OSS; CenturyTel's in particular was largely
14 manual and non-interactive.¹ It is Cox's experience that Qwest's OSS is in many respects
15 superior to the Embarq system CenturyLink is in the process of integrating, so it is troubling
16 that the Joint Applicants have, to my knowledge, been unwilling to firmly commit to using
17 the Qwest OSS in Qwest legacy territories for a substantial post-merger time period, and to
18 commit that at no point will the service levels made possible by the Qwest OSS be degraded
19 even if the entity eventually goes to a unified OSS throughout its territories.

20
21 Q. CAN YOU PROVIDE ADDITIONAL SPECIFICS ABOUT HOW A LESS-
22 CAPABLE OSS ADVERSELY IMPACTS COMPETITION?

23 A. I can give you two that are particularly obvious. In a competitive marketplace, the more of a
24 hassle it is for a customer to change providers, the less likely they are to do so. The porting
25

26 ¹ See *Applications Filed for the Transfer of Control of Embarq Corporation to CenturyTel, Inc.*,
27 Memorandum Opinion and Order, 24 FCC Rcd 8741, ¶¶ 22-24, 42 (2009) ("*Embarq Merger Order*")

1 interval – the time between when a customer requests to move to Cox and time in which their
2 existing telephone number can actually be moved to Cox – is therefore important. Unlike
3 Qwest, CenturyTel does not provide one-day porting. Indeed, CenturyTel’s capability to
4 handle porting requests is such a concern that the FCC capped the number of ports
5 CenturyTel could implement in a day.² For both competitors and customers, this is a horrible
6 outcome: some customers who want to change carriers potentially are told “no, too many
7 people have already switched this week.” The FCC attempted to improve this situation in its
8 CenturyTel-Embarq merger order by requiring the use of Embarq’s OSS, which was better
9 than CenturyTel’s, throughout the merged territory within 15 months. Just this summer,
10 however, CenturyLink petitioned the FCC for a waiver of the one-day porting deadline,
11 suggesting that integration of the CenturyTel and Embarq systems was not completed and
12 providing new reasons for concern about the priority CenturyLink places on its competitive
13 obligations and about the abilities of CenturyLink to timely and accurately handle large
14 volumes of ports. These are issues that have long been worked through in Qwest territory and
15 under the Qwest OSS. The second example is ordering. Qwest’s OSS uses an “E-bonding”
16 system that allows faster and more accurate exchange of information and forms than
17 CenturyLink’s systems. The superior Qwest system reduces transaction costs and delays by
18 eliminating manual process errors and the re-processing those require. Qwest allows
19 electronic submission of LSRs and ASRs through e-bonding and a web-based portal,
20 respectively. CenturyLink, even in the Embarq territories, does not have e-bonding for most
21 LSRs, and uses a more manual, non-interactive internet ordering process for ASRs for
22 interconnection trunks.

23
24
25
26
27 ² *Embarq Merger Order* ¶ 25

1 **Q. WHAT HAS YOUR EXPERIENCE BEEN IN TRYING TO RESOLVE ISSUES**
2 **LIKE THESE WITH CENTURYLINK?**

3 **A.** I have discussed this issue with others in the Cox affiliates operating in CenturyLink states,
4 and there remains frustration over the implementation and integration from the CenturyTel-
5 Embarq merger. Cox switched over to CenturyLink's new "EASE" system in November
6 2009 and had months of growing pains with that system with respect to porting orders and
7 directory listings. It was difficult for us to use because some of the functionalities we were
8 used to with CenturyTel's prior system (IRES) were not available with EASE. Moreover,
9 compared to Qwest, they do not offer E-bonding on CSR requests or LSRs so our orders have
10 to go through a batch process. This did not allow us to view our orders in their system. Also,
11 in the beginning there were many issues with timing such as orders not being processed or
12 completing. We began having weekly calls with Century Link management and technical
13 support to tackle the issues. It has taken months to resolve these issues and we continue to
14 have bi-weekly calls with the Century Link team and there are still a few open and ongoing
15 issues that began nearly a year ago now. Given the difficulties in this smaller integration, we
16 are very concerned about the impacts on Cox of CenturyLink attempting a much larger
17 integration and doing so before the wrinkled in the Embarq merger are fully ironed out.

18
19 **Q. ARE THERE ALSO CONCERNS RELATED TO THE AVAILABILITY OF THE**
20 **MERGED ENTITY'S SUPPORT CENTERS?**

21 **A.** Yes. It is critical that the merged entity maintain sufficient staff, hours of operation and the
22 technical capability to enable competitors like Cox to be able to process customer requests to
23 change their voice service provider in appropriate intervals and in adequate volume. The
24 merged entity needs to provide sufficient assurances to the Commission that it will maintain
25 the same level of service to its wholesale order support centers that current exists today.
26 Additionally, the same performance metrics that Qwest is currently accountable for should be
27 maintained so that no detrimental impact to carriers, and ultimately consumers, will occur.

1 Q. ARE THERE OTHER POLICIES AND PRACTICES OF CENTURYLINK THAT
2 ARE LESS FAVORABLE TO COMPETITION THAN THOSE OF QWEST?

3 A. Yes. CenturyLink assesses several anti-competitive charges for bottleneck functions that are
4 not charged by other carriers, including Qwest. For example, CenturyLink charges a
5 surcharge on customer acquisition, when facilities-based carriers like Cox are initially
6 provisioning service. CenturyLink attempts to impose a fee to access the Network Interface
7 Device (NID) at the customer premise, even though the installation occurs on the customer
8 side of the NID. This is a charge on competitors that Qwest does not assess. CenturyLink also
9 charges to port the telephone number of a customer a competitor acquires from CenturyLink.
10 This charge -- \$13 to \$20 per port request -- is imposed on every request submitted by
11 competitors. In other words, every time a customer freely determines that it wants to elect an
12 option to CenturyLink's service or rates, CenturyLink nonetheless gets compensated by the
13 new provider if the customer (understandably) wants to keep their existing phone number. A
14 third anti-competitive surcharge arises when competitors like Cox submit directory listing
15 requests on behalf of their subscribers. This surcharge, assessed by the former Embarq
16 companies, is imposed on each subscriber listing that certain competitors submit to Embarq.
17 Embarq generally attempts to force some competitors to pay a monthly recurring "storage"
18 charge of between \$0.40 and \$3.00 per subscriber listing. These surcharges lack any cost
19 justification, and do nothing more than increase competitors' costs of doing business. It is
20 particularly troubling that Embarq does not assess this charge upon its own customers, or
21 competitors who purchase Embarq's last-mile facilities (resellers or UNE-loop based
22 CLECs). Again, Qwest does not impose such a charge. These types of penalties to the
23 competing carrier for winning a customer greatly increase the cost of competing with
24 CenturyLink. They are anti-competitive almost by definition: they are a surcharge on
25 successful competition. And once CenturyLink controls Qwest territories, there is no reason
26 to think it will not import these "worst practices" into Qwest legacy territories. The
27 Commission should ensure that CenturyLink is not permitted to impose any of these anti-

competitive surcharges that Qwest does not charge today

Q. DO YOU HAVE ANY OTHER CONCERNS ABOUT THE IMPACTS OF THE MERGER ON COMPETITORS LIKE COX?

A. Another concern is business certainty. Particularly because the string of consecutive mergers for CenturyLink is resulting in numerous changes in processes, adequate notice to other impacted carriers is critical. Cox believes it is of utmost importance that the Commission require the Applicants to commit to following at least the industry standard of 90-days notification prior to implementing changes to any back-office systems that may impact CLECs.

IV. RECOMMENDATIONS.

Q. CAN YOU SUMMARIZE HOW THE USE OF CENTURYTEL OR EMBARQ PROCESSES, RATHER THAN QWEST WHOLESALE PROCESSES, WOULD HARM COX?

A. Currently today Qwest operates via an EDI (Electronic Data Interface) with all of Cox's systems, this enables Cox and Qwest to operate more efficiently without manual intervention as compared to CenturyTel and Embarq markets (which utilize File Transfer Protocol, or FTP.) The inability to interface via EDI prohibits the pre-validations on CSR that can help expedite a port and or directory listing. In those markets Cox employs additional representatives to push the work manually into those systems as well as work exceptions on the back end. Those are the types of OSS issues that inhibit competition, but the additional charges are also a burden on competitors. Collectively, moving to CenturyLink's OSS, practices, capacities, and charges in Arizona as opposed to the way we do business with Qwest now would be a large step backwards both for Cox but also for all competitors and customers in Arizona.

1 **Q. WHAT SHOULD THE COMMISSION DO TO ADDRESS THESE CONCERNS?**

2 **A.** Cox has successfully competed across the country, and Cox will continue to provide
3 innovative, competitive choices in western Arizona regardless of whether or not the proposed
4 merger is allowed. Because Cox has not seen all of the evidence, particularly the testimony
5 detailing the concerns of other parties, I cannot say whether the Commission should approve
6 the merger or not. If, however, the Commission does approve the merger of Qwest and
7 CenturyLink, the Commission should obtain certain enforceable commitments from or
8 impose certain binding conditions on the Applicants:

- 9 • The Merged Entity should be required to keep the existing Qwest OSS, wholesale and
10 intercarrier processes and systems in place for at least three years;
- 11 • The Merged Entity should not be permitted to degrade services to competitors in
12 Arizona below what Qwest provides today in terms of porting intervals and volume
13 capacities, and ordering and provisioning intervals and interfaces;
- 14 • The Merged Entity should be required to maintain sufficient staff, hours of operation
15 and the technical capability in its wholesale order support centers while maintaining
16 existing performance metrics for such wholesale ordering functions;
- 17 • The Merged Entity should not be permitted to impose any charges on customer
18 acquisition that Qwest does not charge today;
- 19 • The Merged Entity should be required to provide at least 90 days notice for any
20 changes in back-office systems or protocols that would impact CLECs in any
21 adverse way or require material changes in the systems or processes of the CLEC.

22
23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

24 **A.** Yes.
25
26
27